

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Investigation by the Department of Telecommunications
and Energy into the Petition of KeySpan Energy Delivery
New England for approval of Firm Gas Transportation
Agreements with Algonquin Gas Transportation
Transmission Company

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D.T.E. 02-18

**ATTORNEY GENERAL'S FIRST SET OF
DOCUMENT AND INFORMATION REQUESTS**

The following are the Attorney General's First Set of Document and Information Requests in the above captioned proceeding.

INSTRUCTIONS

1. These Document and Information Requests call for all information, including information contained in documents, which relates to the subject matter of the requests and which is known or available to KeySpan Energy Delivery-New England or to any individual or entity sponsoring testimony or retained by the Company to provide information, advice, testimony or other services in connection with this proceeding.
2. Where a Request has a number of separate subdivisions or related parts or portions, a complete response is required to each such subdivision, part, or portion. Any objection to a Request should clearly indicate the subdivision, part, or portion of the Request to which it is directed.
3. If information requested is not available in the exact form requested, provide such information or documents as are available that best respond to the Request.
4. These requests are continuing in nature and require supplemental responses when further or different information with respect to the same is obtained.
5. Each response should be furnished on a separate page headed by the individual Request being answered. Individual responses of more than one page should be

stapled or bound and each page consecutively numbered.

6. Each Document and Information Request to "Please provide all documents..." or similar phrases includes a request to "identify" all such documents. "Identify" means to state the nature of the document, the date on which it was prepared, the subject matter and the titles and the names and positions of each person who participated in the preparation of the document, the addressee and the custodian of the documents. To the extent that a document is self-identifying, it need not be separately identified.
7. For each document produced or identified in a response which is computer generated, state separately (a) what types of data, files, or tapes are included in the input and the source thereof, (b) the form of the data which constitutes machine input (e.g., punch cards, tapes), (c) a description of the recording system employed (including descriptions, flow charts, etc.), and (d) the identity of the person who was in charge of the collection of input materials, the processing of input materials, the data bases utilized, and the programming to obtain the output.
8. If a Document and Information Request can be answered in whole or part by reference to the response to another Request served in this proceeding, it is sufficient to so indicate by specifying the other Request by participant and number, by specifying the parts of the other response which are responsive, and by specifying whether the response to the other Request is a full or partial response to the instant Request. If it constitutes a partial response, the balance of the instant Request must be answered.
9. If the Company cannot answer a Request in full, after exercising due diligence to secure the information necessary to do so, state the answer to the extent possible, state why the Company cannot answer the Request in full, and state what information or knowledge is in the Company's possession concerning the unanswered portions.
10. If, in answering any of these Document and Information requests, you feel that any Request or definition or instruction applicable thereto is ambiguous, set forth the language you feel is ambiguous and the interpretation you are using responding to the Request.
11. If a document requested is no longer in existence, identify the document, and describe in detail the reasons the document is unavailable.
12. Provide copies of all requested documents. A response which does not provide the Attorney General with the responsive documents, and requests the Attorney General to inspect documents at any location is not responsive.

13. If you refuse to respond to any Document and Information Request by reason of a claim or privilege, or for any other reason, state in writing the type of privilege claimed and the facts and circumstances you rely upon to support the claim of privilege or the reason for refusing to respond. With respect to requests for documents to which you refuse to respond, identify each such document.
14. Each request for information includes a request for all documentation which supports the response provided.
15. Provide four copies of each response.
16. The term "Company" refers to KeySpan Energy Delivery-New England. Unless the request specifically provides otherwise, the term Company includes all witnesses, representatives, employees, and legal counsel.
17. Please furnish each response on a separate sheet of paper, beginning with a restatement of the question.

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AG-1-1	Please provide copies of all the Service Agreements related to the HubLine arrangements with the Massachusetts KeySpan Companies. If there are any Service Agreements that have yet to be executed, please provide drafts or unsigned copies of these documents and indicate when they will be executed.
AG-1-2	Please explain why the Company did not seek Department approval of the HubLine precedent agreements and the negotiated rate agreements signed in June 2001 prior to this filing made in March 2002.
AG-1-3	Please explain why the Company did not seek Department approval of the July 26, 2001 Colonial/Algonquin service agreement prior to the effective date of November 1, 2001.
AG-1-4	Please explain what cost control or budget review powers the Companies have over the HubLine project. Under what specific conditions can the Companies terminate their HubLine transportation agreements?
AG-1-5	Has FERC approved the Companies Negotiated HubLine Rates as required in §6 of the Negotiated Rate Agreements? If yes, please provide copies of the approvals. If not, please explain when the approval is anticipated.
AG-1-6	What other entities have negotiated rate agreements for HubLine service? Please provide all details regarding the level of subscription and rates to be paid for

HubLine services available to the Companies

- AG-1-7 Under what specific conditions can the rate stated in the negotiated rate agreements be changed? If, in any way, the HubLine rates increase, what alternatives do the Companies have to either have the negotiated rate stand or to terminate the HubLine contracts.
- AG-1-8 According to documents available on the FERC website, Algonquin has increased the planned capacity of the HubLine significantly. See April 5, 2002 filing by Algonquin in Docket No. CP01-5-002, Responses to March 22, 2002 Data Request OEP/DPC/CB-1; §375.308(x)(3). How will this expansion and related cost increase affect the rates to be paid by the Companies?
- AG-1-9 Is Deer Island within the Company's service territory? Does the Company currently serve the MWRA facilities on Deer Island? If yes, please provide a copy of the related tariff or special contract and explain what facilities (distribution and interstate) are used to serve this customer. Will the Company continue or begin to serve the MWRA facilities on Deer Island after the HubLine lateral is in service? Will this service be subject to a tariffed rate or special contract? If under a special contract, how will the rate be determined? If tariffed, how will the costs of the lateral be recovered? Will the HubLine lateral to Deer Island benefit any entities other than the MWRA? Please explain. If there are any HubLine related facilities that directly and solely benefit the MWRA at Deer Island, describe these facilities, identify the owner, the cost of the facilities and, for facilities that are owned by either Algonquin or the Company, explain how these costs are recovered.
- AG-1-10 Is the Sithe/Edgar electric generating facility within the Company's service territory? Does the Company currently serve the Sithe/Edgar facility? If yes, please provide a copy of the related tariff or special contract and explain what facilities (distribution and interstate) are used to serve this customer. Will the Company continue or begin to serve the Sithe/Edgar facility after the HubLine is in service? Will this service be subject to a tariffed rate or special contract? If under a special contract, how will the rate be determined? If tariffed, how will the costs of the HubLine service to Sithe/Edgar be recovered? If there are any HubLine related facilities that directly and solely benefit Sithe/Edgar, describe these facilities, identify the owner and for facilities that are owned by either Algonquin or the Company, explain how these costs are to be recovered.
- AG-1-11 Has Algonquin commenced construction of the HubLine facilities? If yes, when? Is the construction on schedule? Please provide a copy of the HubLine construction time-line and indicate what mile posts have been completed to date. Also, explain if any delays have been identified and how they will impact the expected in-service date of November 2002.

- AG-1-12 What is the Company's contingency plan if the HubLine is not built? Provide all documentation supporting the viability of this plan.
- AG-1-13 What is the Company's contingency plan if the HubLine in-service date is delayed until 2005? Provide all documentation supporting the viability of this plan.
- AG-1-14 How will the Companies proceed if the Department does not approve the HubLine agreements in this proceeding? Provide all documentation showing that these actions will not result in reliability problems on the Cape or in the Boston service area.
- AG-1-15 Please provide spreadsheet models for the analyses contained in Exhibits ECD-3 and ECD-4. These models should be working models and allow for data to be modified. Include all documentation, assumptions and supporting materials necessary to permit changes to the rate variables. The models should be in the form of Lotus 123 or Excel spreadsheets.
- AG-1-16 Please provide an economic analysis of the formerly proposed Cape LNG facility costs compared to the HubLine costs. Include all calculations, workpapers and assumptions. If this option for serving the Cape did not require the distribution upgrades discussed in the Company's DTE 01-105 filing, please provide the details of the distribution upgrades including permitting and construction time-lines, costs and in-service dates. Include all supporting calculations, workpapers and assumptions.
- AG-1-17 Refer to Ms. Danehy's Testimony, p. 21, lines 8-9. Please provide copies of or notes regarding all correspondence the Companies have had with interstate pipeline companies or other entities regarding the availability of capacity related to the HubLine alternatives. If any of the Massachusetts KeySpan Companies have decreased their transportation capacity on any of the pipelines included in the alternatives, during the past three years, explain why the reductions were prudent given the existing need to provide adequate service the Cape and Boston.
- AG-1-18 Refer to Exhibits ECD-3 and ECD-4. Are there any alternatives to the HubLine not presented in the Companies' filing? If yes, please provide economic analyses of these options and explain why they were excluded. Include all supporting calculations, workpapers and assumptions.
- AG-1-19 If a PNGTS alternative was not addressed in the response to the preceding request, please provide an economic analysis of this option and explain why it is not a viable. Include all supporting calculations, workpapers and assumptions.

- AG-1-20 Refer to Exhibit ECD-3. Please explain why the Company has relied on the use of a 36 month average NYMEX strip plus a Dracut basis differential for the cost of gas to be transported via the HubLine, rather than the cost of Sable Island gas on-shore plus M&N transportation costs? Using this alternative costing method, please revise Exhibit ECD-3. Include all supporting calculations, workpapers and assumptions.
- AG-1-21 Refer to Exhibit ECD-3. Please provide all source documentation supporting the development of the Dracut basis differential.
- AG-1-22 Is the Company planning to issue an RFP for gas supplies to be transported on the HubLine? If yes, when? Please provide a copy of the solicitation or current draft and time-line for bid receipt, review, selection and regulatory approval. Include a list of potential recipients. If no, provide a detailed explanation of how the Company will procure the gas to be shipped via the HubLine. Identify the entities that are potential suppliers and at what receipt points on what pipeline the gas will be purchased.
- AG-1-23 Had the Company signed up for HubLine capacity during open season, what would the rates have been? Would the Company have paid a tariffed rate or been able to negotiate a rate? What is the tariffed rate for HubLine service for each delivery point on the system? Recalculate Exhibits ECD-3 and ECD-4 for each of the rate alternatives discussed in this response. Include all supporting calculations, workpapers and assumptions.

Dated: May 1, 2002